

Memorandum

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OFFICE OF THE SECRETARY
FEDERAL MARITIME COMM

TO : Bryant L. VanBrakle, Secretary

DATE: Jan. 22, 2004

FROM  Harold J. Creel, Jr., Commissioner

SUBJECT : Petitions Nos. P3-03, P5-03, P7-03, P8-03, and P9-03

On January 12, 2004, I met with representatives of the World Shipping Council ("WSC") to discuss the above-referenced petitions for relief currently pending before the Commission. The WSC representatives included : Christopher L. Koch, President and CEO; Stanley O. Sher, Counsel; and Robert Blair, an economist with WSC. Also present was my counsel, David R. Miles.

The WSC representatives made the following points:

They intend to submit further comments in these proceedings, but nothing too extensive, in light of their original submission.

Some of the relief sought by some of the petitioners , for example, tariff filing or range rates, might be acceptable to them. However, the primary relief sought by several petitioners, the ability of NVOCCs to offer service contracts, could not be granted without further facts in the record to justify such relief. The WSC will be willing to assist the Commission in building a proper record. The Commission's next step should be to decide what additional information it needs and develop a procedure to obtain it.

The WSC is not anxious to go back to Congress on these issues. It would be best for the Commission to deal with them after obtaining a full record.

The WSC questioned whether there has been any significant changes in the ocean transportation industry since the passage of the Ocean Shipping Reform Act of 1998. They noted that there were several large NVOCCs back then. They contended that nothing about the NVOCC business has changed since then.

WSC opined that the initial UPS request may have been perceived as a simple request by UPS. However, WSC contended that the petition contained few facts and little in the way of legal analysis. **They** also noted that the various petitions have presented the Commission something of a moving target.